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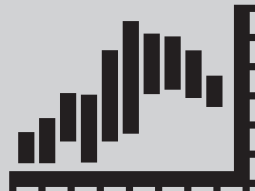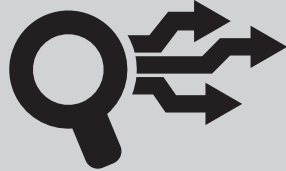
7 Pointers to a Robust Shared Services Business Case

On several occasions, we have been asked to assess why a particular organization's Shared Services initiative is failing. Common reasons persist through different engagements:

- Lack of senior leadership support
- Unclear targets
- No accountability to deliverables or timelines
- Lack of resources, both financial and staffing
- Unable to demonstrate quality or cost improvements
- Missing technology enablers
- Unrealistic stakeholder expectations

Interestingly, the strategy to avoid these issues and the first step to correcting them is the same: development of a robust, comprehensive Business Case and Roadmap that provides the framework to drive engagement and accountability. Proceeding with a transformational initiative such as Shared Services without a business case is analogous to building a house with no foundation: structural issues will arise early on and any early successes will erode over time.

What It Is

At its most basic level, the business case describes a problem and proposes a solution. The solution will require a commitment of resources, so the business case justifies this business decision by outlining the change rationale and providing the costs and benefits. Most business cases will provide this, but a leading practices business case will do more than provide a target for savings; it will provide a blue print for the solution.

Lead with Processes

A leading practices business case leads with processes and activities, not the dollars. At a high level, the current state processes are compared to the proposed future state designed on best practices. You compare the cost of the current state to the future state to determine your savings at the process level. The focus and energy of the teams is on achieving a higher level of performance that will be more efficient, rather than harvesting a dollar target with an uncertain impact on services.

Blue Print for Solution

The business case has four work steps as shown in the diagram on the next page. Each of these includes key activities and deliverables that provide the foundation for the next step in the development of the business case. The business case and its component schedules provide the blue print to implement the future state.

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Baseline & Benchmark

Shared services organizations can experience an expectation gap when service recipients give up one FTE of funding and expect two FTEs of service. If the organization doesn't know its starting point, it will be unable to quantify its impact, which means that it will continuously be attempting to justify its existence. Shared services is not a panacea for every organization and without understanding baseline costs and performance, it will not be possible to build a strong business case.

As-Is

Documenting the current state can be an eye-opener for all members of the project team. The activity based analysis breaks out each team members' effort by the proportion of their time they spend on each activity. It is impossible for an organization to commit to a future state without understanding the as-is and acknowledging what will change.
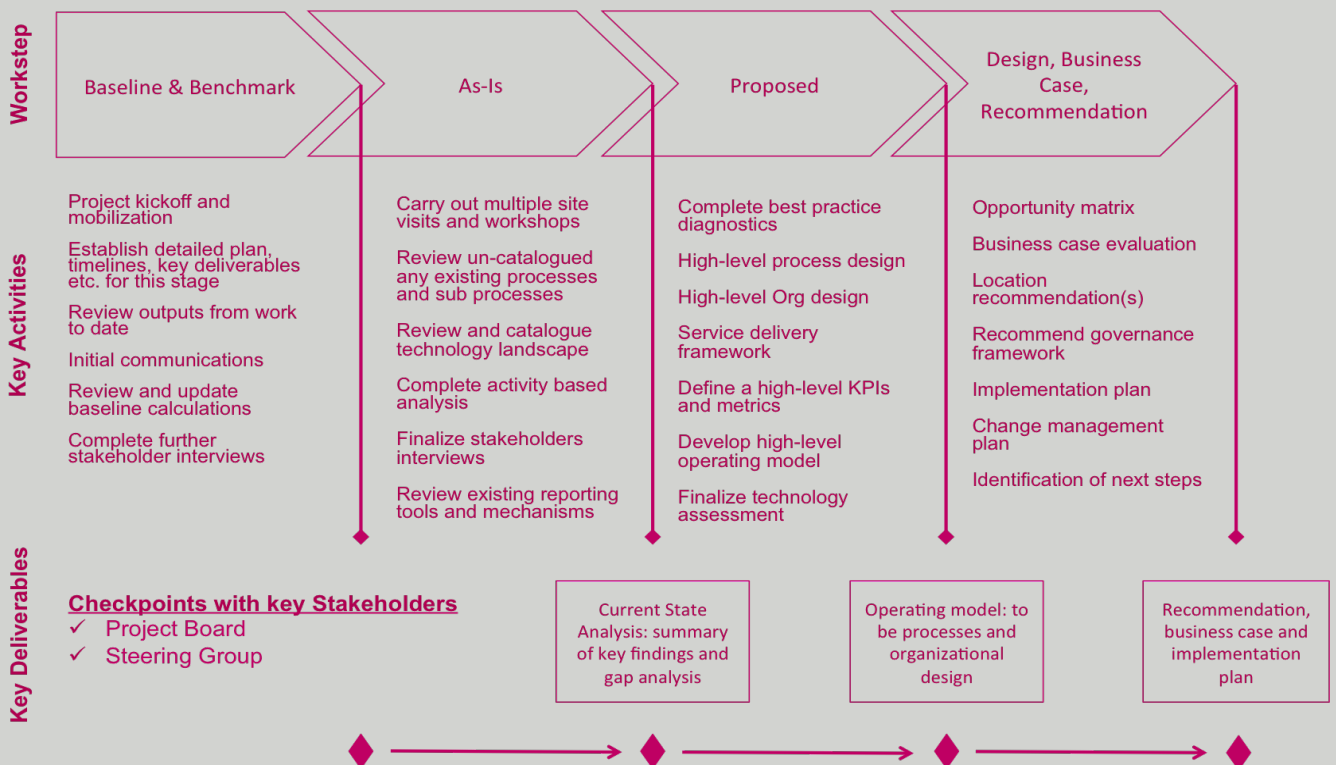
Proposed

This work step involves comparing the as-is to leading practices and designing a to-be state that provides cost effective performance improvement. Some leading practices require an investment in technology or other resources that is cost prohibitive at lower volumes, but working towards leading practices will typically result in gains in efficiency and effectiveness.

Design/Business Case/Recommendation

The final work step results in the business case and supporting schedules.

The ideal time to develop a business case is during the planning phase, but it is never too late to give your shared services initiative a solid foundation and to maximize its benefits

Workstep	Baseline & Benchmark	As-Is	Proposed	Design, Business Case, Recommendation
Key Activities	Project kickoff and mobilization	Carry out multiple site visits and workshops	Complete best practice diagnostics	Opportunity matrix
	Establish detailed plan, timelines, key deliverables etc. for this stage	Review un-catalogued any existing processes and sub processes	High-level process design	Business case evaluation
	Review outputs from work to date	Review and catalogue technology landscape	High-level Org design	Location recommendation(s)
	Initial communications	Complete activity based analysis	Service delivery framework	Recommend governance framework
	Review and update baseline calculations	Finalize stakeholders interviews	Define a high-level KPIs and metrics	Implementation plan
	Complete further stakeholder interviews	Review existing reporting tools and mechanisms	Develop high-level operating model	Change management plan
			Finalize technology assessment	Identification of next steps
Key Deliverables	**Checkpoints with key Stakeholders** ✓ Project Board ✓ Steering Group	Current State Analysis: summary of key findings and gap analysis	Operating model: to be processes and organizational design	Recommendation, business case and implementation plan

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